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DIARY NOTES

DD/S

22 April 1960

1. At the Deputies' Meeting this morning:

a. The question of deactivation [REDACTED] was discussed and it was agreed that we would abandon our plans to give up this Station. Mr. Dulles turned to General Cabell and placed the matter in his hands. (Following the meeting I asked General Cabell if he had any additional instructions for me whereupon he replied in the negative. He authorized me to go ahead

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2. I met with Jim Garrison, Ed Saunders, [REDACTED] concerning the [REDACTED] I emphasized that if DD/I did not settle the Army's contribution to this Project we might well lose our opportunity to lease this building. It was agreed that Von and Chick would attack this problem without further delay, that we would then go back to the Bureau of the Budget after we knew exactly how much CIA money were involved and request that this money be set aside from the Reserve for Fiscal Year 1961. After these things have been completed satisfactorily we can then ask the Director to sign a letter to Mr. Floete asking that the lease be negotiated. I emphasized to [REDACTED] that [REDACTED] were willing to wait until 1 May but that I had no assurance that we could persuade them to wait any longer.

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3. I have a tentative date to meet with [REDACTED] at Harvard on Thursday, 5 May, from 12:30 p.m. to 3:30 p.m. He understands that I might have to cancel out on this as late as Tuesday, 3 May.

4. Also at the Deputies' Meeting there was quite a discussion concerning procedures for requesting releases from the Contingency Reserve. This grew out of a flap wherein Bob Macy, Bureau of the Budget, had written a note to Gordon Gray, Special Assistant to the President for National Security Affairs, in connection with a very sensitive project. Gordon had in turn telephoned the Director and a big hullabaloo took place at the "Special Group Meeting." The Director was very much concerned about the fact that Gordon and the Bureau were writing letters about this highly sensitive project but was very critical of the performance of our own personnel in handling this matter and particularly in quoting the President. I took this occasion to point out to everyone concerned that we should do a much more thorough job on our homework before going to the Bureau and that ideally this should be done before these matters were discussed with the "5412 Committee." However, in cases where this ^{is} not possible, we should certainly do it prior to the time we go to the Bureau. I pointed out that when [REDACTED] and (Ed Saunders) go running over to the Bureau immediately after a "Special Group Meeting" and don't know all of the answers it makes us look quite ridiculous. This usually results in getting someone at the Bureau intimately familiar with the operations and they almost invariably reveal more than it would be necessary to disclose had we done our homework properly in the first place. The Director and everyone else seemed to appreciate the necessity for this action and it was agreed that in the future we would exercise extreme care in saying that the President had approved of anything and that probably this should be done only on very senior levels. Also, in the future either Ed Saunders or [REDACTED] will go to the Bureau as the DD/S representative when it is necessary to request a release. It was not clear just who Dick Bissell would send but it was certainly understood and agreed that we would do our homework thoroughly before going over to the Bureau. (In this connection, I had a lengthy telephone conversation with Bob Macy about the Gordon Gray flap. What happened was that Bob had left a note in a sealed envelope for Gordon, had asked him to write yes or no on it and to telephone him so that he could pick up the message. In lieu of doing this Gordon telephoned the Director and this created quite a flap. Bob was most apologetic about having written this note, admitted that he was indiscreet, but emphasized that there really was no security breach and that Mr. Stans knew nothing about this. I advised him of our discussion at the Deputies' Meeting this morning, told him that I would explain these circumstances to the Director and that I thought he could forget the whole matter. Later on Bob telephoned again to say that after discussing this matter with Frank Ecker and Ben Ellington he would like to suggest that when we come over to request a release we bring a memorandum which spells out the entire program, permit them to read it and then return it to our files. I told him that this sounded reasonable and that I would try to work out something along these lines. I have passed on this information to Ed Saunders.)

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